Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, October 24, 2006 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI  48198-9112

Members Present:  Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, and Philip W. Wagner.

Members Absent:  J. Ray Scott.

1. CALL TO ORDER: Doe called the meeting to order at 4:05 p.m.

2. MINUTES OF THE PREVIOUS MEETING: Motion by Koryzno to receive and file the minutes of the September 26, 2006 meeting. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

   A. Request to Approve – York Township Wastewater Treatment and Capacity Purchase Agreement - Larry R. Thomas

Mr. Thomas reminded the Board that, earlier this year, York Township purchased .13 MGD of wastewater treatment capacity in the YCUA system. He indicated that the York Township Board now wishes to expand the York Township sewer service district and is requesting to purchase an additional .225 MGD of capacity for a total of .355 MGD. Mr. Thomas also explained that Tom Daniels has prepared a contract, fundamentally the same as the contract approved in March, but with the increased capacity and associated fees. He pointed out that York Township approved the contract at their Board meeting on October 10, 2006. Mr. Thomas directed the Board’s attention to a copy of the contract as enclosed in their packets for their review along with York Township Resolution No. 2006-36. He further advised that York Township is expanding its sewer service area. Mr. Thomas stated that YCUA is in a position to treat the wastewater generated. He acknowledged that YCUA will incur no expenses regarding this contract and the transportation and treatment of the wastewater will general revenue.
Mr. Thomas recommended approval of the York Township Wastewater Treatment and Capacity Purchase Agreement.

Edward B. Koryzno, Jr. inquired as to how much allocated capacity the Authority has. Mr. Thomas responded that all the unused, unallocated capacity belongs to YCUA and, therefore, the city and the township. Mr. Koryzno inquired as to whether, by selling additional capacity, this puts the city or the township in a problematic situation in the future. Mr. Thomas responded that, as part of the contract, York is advancing YCUA funds toward the future plant expansion to make up for capacity that the Authority is leasing to them. He indicated that the city and township will get their capacity back at the next expansion.

Motion by Koryzno to approve the York Township Wastewater Treatment and Capacity Purchase Agreement. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – YCUA Resolution No. 06-5 Authorizing Director to Approve Certain Payments - Larry R. Thomas

Mr. Thomas directed the Board’s attention to Resolution No. 06-5, which authorizes the director to approve certain payments prior to the Board of Commissioners’ meeting each month. He indicated that business practices would suggest that waiting to pay certain items until approved by the Board would be detrimental to the Authority. Mr. Thomas also explained that the resolution lists the specific items and classes of items that would fall into this category. He pointed out that the ability to pay certain items prior to Board approval would be beneficial to the Authority.

Mr. Thomas recommended approval of YCUA Resolution No. 06-5 Authorizing Director to Approve Certain Payments.

Larry J. Doe inquired as to whether these are hand checks and can the Board look at what has been paid out. Larry R. Thomas responded that they are not hand checks and appear on the statements and checks sheet the Board sees each month. He indicated that the office checks show a different date than the majority of the checks. Mark Namatevs responded that it is going to appear in statements with checks as a separate category. Mr. Thomas concurred that this could be done.

Philip W. Wagner inquired as to whether there can be two different “dates paid” on the report. Mr. Thomas responded that there currently are different “dates paid.” Mr. Namatevs asked if staff can sort this two ways when the payment approval report is run; sort it by date paid, a subtotal by each date paid, and a grand total. Mr. Thomas responded that it can be done that way.
Motion by Wagner to approve YCUA Resolution No. 06-5 Authorizing Director to Approve Certain Payments. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve OHM Proposal for Engineering Services re: Holmes Road Phase II Water Main Replacement Project - T. Michael Jessee

Mr. Jessee advised the Board that the Washtenaw County Road Commission has contacted YCUA staff regarding a road reconstruction project on a portion of Holmes Road for next year. He indicated that, as part of this project, staff is recommending the replacement of the existing main traversing Holmes Road from Rue Deauville to Spencer Lane. Mr. Jessee directed the Board attention to a proposal from OHM for engineering services for this project. He pointed out that this project would be done in a similar manner to this year’s Holmes Road Phase I project from Prospect Road to Rue Deauville. Mr. Jessee explained that the road commission will enter into a contract for the road improvements as well as water main replacement. He further advised that YCUA will reimburse the road commission for its expenses dealing with the water main replacement. Mr. Jessee stated that, as usual, when major roadwork is being done in the city or the township, YCUA staff analyzes the water and sewer mains in the area for potential repair and/or replacement. He acknowledged that the engineering proposal is for a lump sum of $95,000.

Mr. Jessee recommended approval of OHM Proposal for Engineering Services re: Holmes Road Phase II Water Main Replacement Project in the amount of $95,000.

Mr. Namatevs inquired as to why there is no sanitary. T. Michael Jessee responded that staff will look at it and televise and clean it and will address the sewer within this contract if it is found to be in need of repair or replacement.

Motion by Namatevs to approve OHM Proposal for Engineering Services re: Holmes Road Phase II Water Main Replacement Project in the amount of $95,000. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

D. Informational Item - Fourth Quarterly Production Report - T. Michael Jessee

Mr. Jessee directed the Board’s attention to the fourth quarterly production report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board, paraphrased as follows:

Wastewater Treatment Plant
The fourth quarter has proven to be challenging, yet successful, for the Wastewater Treatment Plant staff. The incinerator is now on-line with YCUA staff at the helm. The operators are running the incinerator without assistance from the incinerator manufacturer. This is quite an accomplishment given the fact that there was minimal training and that the training occurred when Infilco Degremont was incorporating modifications to the operating parameters. The emissions and performance testing have been completed and preliminary results indicate that the incinerator operates within the required emissions standards. The contractor is now working on punch list items and anticipates completion in November. The wastewater staff continued to operate the treatment facility within all parameters of the NPDES permit.

Congratulations are in order for Bob Woytkiw, Greg Harris, Kevin Richards, and Greg Tabor for passing the MDEQ licensing examinations. Additionally, Kevin Dupuis has accepted the position of Wastewater Supervisor and Greg Burke and Gary Denny accepted the position of Wastewater Foreman. It should be noted, the dedication of Alan Schock, Ken Knorp, Brad McCoy, Gary Denny, Greg Burke, Steve Wyzgoski, Luther Blackburn, Kevin Dupuis, and Kurian Joychan was the attribute that propelled YCUA through the massive expansion project. The wastewater treatment facility operation was placed in harms way on multiple levels during the expansion and the aforementioned employees addressed the operational challenges throughout the construction. Their effort and the cooperation of the entire wastewater operating staff was a major factor in completing the expansion with only one regulatory violation while maintaining the treatment process to ensure the health and safety of the Authority’s customers and the environment. All of us owe a great amount of gratitude to the entire operational staff.

The wastewater treatment plant processed 1,887,426,000 gallons of wastewater during the fourth quarter and 7,924,544,000 gallons for the fiscal year. This resulted in 4,722.82 tons of solids being processed during the fourth quarter and 21,778.80 tons during the fiscal year.

The wastewater treatment plant received 251,390 gallons of septage spoils during the fourth quarter; this resulted in $17,617.30 of invoiced revenue. Total septage soils for the fiscal year were 1,531,875 gallons received and $107,251.25 invoiced.

The wastewater treatment department has incurred $92,503.82 in overtime expenditures during the fiscal year; this represents 77.36% of the budgetary amount of $119,581. The overtime expenditures are well within parameters given the additional tasks that can be associated with the expansion process.
Maintenance Department

The maintenance department completed 3,626 work orders during the fourth quarter for a fiscal year total production of 12,770 work orders. This represents a 26% increase over the total of 9,425 completed work orders for the 2004 - 2005 fiscal year. This increase has occurred in all work order reporting categories.

During the fourth quarter the maintenance department completed the installation of the guide vane controller on no. 2 WWTP blower. The installation of the guide vane controller for no. 1 blower is complete and awaiting a testing procedure to be implemented. The contract for the blower upgrades has been finalized and the work schedule is currently being drafted.

The preventative maintenance of the air relief valves for the sanitary force mains was completed this quarter. The air relief valves provide a means for the air in the force mains to be released which reduces the possibility of air hammer damage to the mains. The air relief valves for the McGregor Street pumping station have been located and are now included in the preventative maintenance program. There are twenty-two (22) air relief valves on this force main. The Pineview lift station by-pass piping has been installed. The maintenance department completed the rebuild of pumps at the Snow Road and Factory sanitary pumping stations. In the arena of security, the maintenance department completed the installation of locking devices for twenty-five (25) water metering vault hatches and manhole covers.

The maintenance department has incurred $86,462.15 in overtime expenditures for the fiscal year; this represents 57.46% of the budgetary amount of $150,466. Congratulations are in order for the members of the maintenance department for their continued effort to increase production while maintaining acceptable overtime expenditures. This could not have been accomplished without the cooperation of all members of the maintenance team.

Customer Service Department

Outstanding billings and accounts receivable statistics for the fourth quarter of fiscal year 2005 - 2006 reflect the trends projected and expected as a result of the updated utility billing software. However, it must be noted that the tools in place are only as good as the people using them, and the credit for the success in the customer service department goes to Pam Brady, Gail Thomas, Pam Neigum, Mary Burton, Sherry Easterday, Diana Riggs, Helen Dudley and Amy Thomas under the
leadership of Cathy Moorman. These employees have worked painstakingly over the past year to customize the software so that it would meet the needs of YCUA’s extremely complicated billing and receipting system. The process of collecting monies due the Authority is efficient and effective. Outstanding receivables 60 days and older have declined dramatically over the prior quarter, as well as the same quarter last fiscal year. There are still areas of improvement, and as the staff reviewed the metrics provided by the organization analysis, process implementation and additional training are under way to reduce the number of errors related to customer billing. This goal has been set as a priority for the department during the current fiscal year.

One of the highlights of this quarter in the customer service department is the dramatic decrease in the amount of unpaid balances that had to be transferred to the tax rolls. During the fourth quarter, the tax roll transfers represent delinquent accounts in the Township that contain balances not paid through YCUA collection attempts, and that are then transferred to the property taxes as liens on the property. City tax roll transfers typically occur during the third quarter. This number is financially significant to YCUA in that once balances are transferred to the tax rolls, YCUA does not typically receive the cash for many months. The total transferred to Township tax rolls decreased by over 30% from last year. Without the Eastern Highland Apartment Complex balance, the decrease would have been over 42% from last year. This is phenomenal work by YCUA’s Collections Clerk, Pam Brady.

The customer service department expended $826.16 during the fiscal year. This represents 13.48% of the budgetary amount of $6,131.

Engineering Department

The engineering department continues to offset the cost of operations by providing services that would have been contracted to outside engineering firms. During the fourth quarter, the estimated savings for their efforts was $38,500; this concludes the fiscal year with estimated savings of $166,000. The fourth quarter community development project review fees totaled $14,490.70, for a fiscal year total of $54,306.03. Additionally, YCUA has benefited from the community development projects through a 1% administrative fee for the managing of the escrow accounts with a fiscal year total of $54,417.94. Through the efforts of the Authority’s engineering department, the total fiscal year contribution was $274,723.97.

Through the collective efforts of YCUA’s customer service and engineering departments, the Authority’s review fees are now being invoiced through accounts receivables and the billing software.
Previously, the required fees were outlined in the review letters that were issued by the Authority’s engineering department. Currently, the fee amounts are submitted to customer service, which in turn issues an official invoice. This procedure provides an effective tracking measure and provides customer service with the information needed to address concerns and/or questions from the developers. Good job to all parties involved.

The Pineview lift station bypass project has been completed and is considered a success by YCUA and its customers. The residents of the area requested a meeting to discuss the possibility of completing the project without damage to a large blue spruce that had grown in proximity to the lift station. YCUA met with the residents and discussed the various options. At that time, YCUA engineering staff worked with the contractor, C. I. Contracting, to accommodate the requests of the customers to minimize the impact to a large blue spruce. The contractor responded by implementing the use of large trench boxes to protect the excavated area from the possibility of cave-in and to minimize the impact on the tree. This procedure proved to be successful.

The engineering department has incurred $2,598.68 in overtime expenditures. This represents 41.97% of the $6,192 budgeted.

Service Department

The service department completed 12,128 tasks and cleaned 226,181 feet of sanitary mains during the fourth quarter. The sanitary flushing total for the fiscal year was 682,290 feet. This represents a comprehensive sanitary preventative maintenance program. As you may recall, during the months of January and February the Service Center Foremen and Supervisor modified the flushing schedule to target specific areas that were historically problematic and improve efficiencies in the schedule. Additional preventative maintenance activities included the inspection of 10,510 manholes during the fourth quarter; this increased the year-end total to 35,573. The service center crews are working diligently to complete the concrete repairs to areas disturbed by the repair of water and sanitary services. This fiscal year there have been 111 concrete repairs completed which represents 516% increase over the 18 repairs completed last year. The same situation occurred with the yard repairs; 148 repairs have been completed which represents a 131% increase over the 64 repairs last year.

The benefit of the sanitary preventative maintenance program was highlighted in late August with the discovery of a non-flowing sanitary collection main that provides service to the Nancy Park area. Bryan
Reatherford and Leroy Humbarger discovered the back up during a routine preventative maintenance inspection of the collection system. This initiated a flushing procedure, which resulted in the determination that the collection main had been damaged. This discovery abated the probability of numerous basement back-ups. Good job, Bryan and Leroy and thank you.

The overtime expenditures for the Service Center are within budget. There was $152,998.56 expended for overtime, which represents 78.44% of the $195,045 budgeted.

**Water Distribution Department**

The water distribution department distributed 1,614,908,524 gallons of water during the fourth quarter for a fiscal year total of 4,930,483,600. There has been a 3.4% decrease in the overall consumption this fiscal year; in the City division the decrease was 6% and in the Township, 2.9%.

Superior Township placed the Clark and LeForge booster station on-line and began experiencing an increase in water main breaks. Superior Township has suspended operation of the facility until a thorough investigation can be completed. Superior Township and OHM are analyzing the data in an attempt to revise the standard operation procedure for the booster facility. YCUA has experienced problems with YCUA’s 18-inch pressure-reducing valve at the second DWSD connection (YT02). The water distribution staff reported that the valve could only be opened to a setting of 44%; the valve manufacturer responded and replaced the torque spring, which corrected the problem.

Pete Richards accepted the position of Water Distribution Operator and is receiving training on the operation of the system. To date, he has done an excellent job in this critical role.

The water distribution department has incurred $31,779.01 in overtime expenditures during the fiscal year. This represents 63% of the budgeted amount of $50,426.

**Meter Department**

During the fourth quarter the meter department completed 3,371 tasks, 46 hours of training and 123 hours of work with the large commercial/industrial meters. Under the leadership of Bob Fry, Meter Department Foreman, there was a 4% increase in tasks completed while absorbing a 12.5% decrease in available man-hours for the fiscal year.
This can be attributed to the team spirit exhibited by the members of the Meter Department and the abilities of the management team. Good job.

Congratulations are in order for Pat Morris who successfully completed his qualifying period in the position of Meter Service Technician and Guy Huddleston who accepted the position of Meter Service Technician II. Good luck, gentlemen. Gary Bondie, Bob Fry, Jeff Castro, Carla Sanderson, Steve Vass, and Wayne Dudley received training in the TOKAY cross-connection control software program.

As you may be aware, when the Pittsfield Township Merritt Road facility was placed on-line there was a noticeable decrease in consumption observed. The meter department staff began an investigation into the connections to Pittsfield Township and determined that the problem was the meter at the Merritt Road facility. Pittsfield Township was notified and with the cooperation of the meter manufacturer, the meter has been repaired and calibrated. The Pittsfield consumption has now returned to projected levels.

The meter department incurred $10,019.01 in overtime expenditures during the fiscal year. This represents 94.11% of the $10,646 budget.

Compliance Department

The YCUA compliance department completed 7,351 analyses during the fourth quarter for a fiscal year total of 33,267. Under the leadership of Luther Blackburn, the compliance department fulfilled all sampling and reporting requirements as outlined in the National Pollutant Discharge Elimination System permit. Additionally, the industrial pretreatment program received a satisfactory review by the Michigan Department of Environmental Quality.

The compliance department is stepping up the fats, oil, and grease program by inspecting and enforcing the regulatory requirements for the businesses in the area. This is an important program due to the negative impact that the discharge of fats, oils, and grease into the sanitary collection system can create. The discharge of fats, oils, and grease creates a coagulation of material that results in blockages within the collection systems. This results in sanitary collection system failures in the form of increased back-ups.

The compliance department expended $5,718.06 for overtime during the fiscal year. The expenditures represent 35.87% of the budgeted amount of $15,940.


State of the Authority

Ypsilanti Community Utilities Authority has enjoyed a productive fiscal year with all departments reporting increases in production and acceptable overtime expenditures. The final report on the organization analysis was delivered to the Board of Commissioners and employees in September. It confirmed staff’s beliefs that YCUA is an excellent organization with outstanding employees. A very valuable component of the project was the metric analysis where YCUA data was benchmarked against data from similar municipalities. This process has served two purposes. First, it indicates that YCUA is operating extremely well across the board in comparison to similar organizations. This includes employee health and safety, finance, and infrastructure maintenance. It is also notable that this is being accomplished while keeping customer rate well within industry standards. In summary, YCUA stands up well in comparison to other municipalities, which can only be accomplished by Team Work. Congratulations to all members of YCUA and to the YCUA Board of Commissioners for its continued support of the workforce.

With the wastewater treatment plant expansion project near completion the associated staffs are returning to normal operations. The expansion created an atmosphere of never-ending stress for the compliance, maintenance, and wastewater treatment plant operation staffs with an onslaught of additional tasks and impromptu requests from the contractors and engineers. I am proud to inform you that the YCUA staff exhibited professionalism and confidence in addressing the three-year project and has embraced the operation of the new equipment with enthusiasm. YCUA personnel are operating the incinerator and data is being reviewed in an effort to develop standard operating procedures for the enhancement of efficient incinerator operation.

Mark Namatevs commented that it appears that overtime has spiked during the month of August. Mr. Jessee responded that this was due to inventories done in the maintenance and service departments, file clean up in engineering, and issues in the wastewater treatment plant with the incinerator. Mr. Namatevs indicated that the response was acceptable

Informational only; no motion from the Board required.

E. Fund Balance Report - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Fund Balance Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Mr. Thomas recommended a motion that depreciation not be included in the O & M requirement section of the Fund Balance Report presentation.
After further discussion on depreciation, Philip W. Wagner made a motion to accept the report as presented and accept the recommendation that depreciation be excluded from the O & M fund balance requirement for this report presentation. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)


Mr. Thomas directed the Board’s attention to the Financial Report – Authority Net Assets Reports for September. He then proceeded to give a detailed report of the information contained in the reports and answered questions from the Board.

Informational only; no motion from the Board required.

G. Usage Report – Consumption Report - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Consumption Report. He then proceeded to give a detailed report of the information contained in the reports and answered questions from the Board.

Informational only; no motion from the Board required.

H. Director’s Report - Larry R. Thomas

Mr. Thomas advised the Board that he would like to clarify one of the assessments reported by Miller Consultants. He indicated that it appears that there is some confusion surrounding the statistics of 49.66% of employees are very positive, 36.55% are mixed, and 13.79% are very negative. Mr. Thomas explained that this is not a measurement of or statement about the “happiness” of YCUA employees, as it seems to have been interpreted. He pointed out that the statistic represents the results of the interviews that Miller Consultants conducted with YCUA employees and reflects that 49.66% of the employees interviewed had nothing but positive things to say about YCUA, 36.55% had positive things to say and had commented about things that could be improved, and 13.79% had nothing but negative things to say about YCUA. Mr. Thomas explained that it is incorrect to interpret this statistic as 50% of the employees are happy and 50% of them are not. He further advised that “happiness” was not measured by the organization analysis.

Informational only; no motion from the Board required.

4. OLD BUSINESS:

There was no old business for the month.

5. OTHER BUSINESS:

There was no other business for the month.
6. **STATEMENTS AND CHECKS:** Motion by Namatevs to pay the bills in the amount of $2,764,485.77 plus an addendum in the amount of $189,331. Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)

7. **PUBLIC COMMENTS:**

There were no public comments for the month.

8. **CLOSED SESSION:**

Motion by Koryzno to table the evaluation of the director until the next meeting. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

9. **ADJOURNMENT:** Motion by Wagner to adjourn the meeting at 4:50 p.m. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

MARK NAMATEVS, Secretary/Treasurer
Minutes of a regular meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority held on the 24th day of October, 2006, at 4:00 p.m., Eastern Daylight Time.

PRESENT: Commissioners Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, and Philip W. Wagner

ABSENT: Commissioners J. Ray Scott

The following preamble and resolution were offered by Member Wagner and supported by Member Namatevs:

WHEREAS, the Ypsilanti Community Utilities Authority (YCUA) Board of Commissioners is the governing body of YCUA and approves all expenditures; and

WHEREAS, the YCUA Board of Commissioners meets once per month to approve expenditures and authorize those payments; and

WHEREAS, certain payments are time sensitive; and

WHEREAS, the Board desires to authorize the director of YCUA to approve certain expenditures and authorize payments prior to YCUA Board of Commissioners approval.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE AUTHORITY that Ypsilanti Community Utilities Authority hereby authorizes the director or, in his absence, the assistant director, to approve the following types of expenditures and authorize payments prior to the approval of the YCUA Board of Commissioners:

1. Bills for goods or services which will incur a penalty if the obligation is not paid prior to the Board of Commissioners meeting;

2. Settlements with customers for sewer backup claims;

3. Reimbursement of deposit balance on terminated accounts;
4. Reimbursements to employees of direct expenses for YCUA approved purchases; and

5. Debt principal and interest payments due prior to the Board meeting date.

AYES: Commissioners Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, and Philip W. Wagner

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.
I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, State of Michigan, at a regular meeting held on the 24th day of October 2006 and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.

MARK NAMATEVS, Secretary/Treasurer